

ASSEMBLY BILL

No. 1110

Introduced by Assembly Member Ting

February 27, 2015

An act to amend Section 4115 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1110, as introduced, Ting. Property taxation: redemption deficiency.

Under existing property tax law, unpaid property taxes are declared delinquent and subject to penalties and costs, and, if the taxes remain unpaid, the property is declared tax-defaulted and subject to sale. Existing law authorizes the tax collector to provide notification of the tax-defaulted status of the property to the property owner, as specified, and authorizes the property to be redeemed until the right of redemption is terminated. Existing law requires the tax collector to issue a certification of redemption when tax-defaulted property is redeemed, as specified. Existing law authorizes a tax collector, if that tax collector has erroneously computed the amount necessary to redeem a parcel of property as to which a redemption certificate has been issued and that error resulted in an underpayment of the amount required to redeem the property, to collect the amount of the redemption deficiency if the tax collector sends notice of, or a bill for, the underpayment, as specified. Existing law requires the redemption deficiency to be collected, as provided, if payment of the redemption deficiency is not made by the property owner within 30 days following the mailing of the notice or bill.

This bill would instead extend the time available to make a redemption deficiency from 30 days to 45 days following the mailing of the notice or bill.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4115 of the Revenue and Taxation Code
2 is amended to read:

3 4115. If payment of the redemption deficiency is not made
4 within ~~30~~ 45 days following the mailing of the notice or bill
5 required by Section 4114, the deficiency shall be transferred to
6 the secured roll prepared or being prepared for the assessment year
7 in which such notice or bill is mailed to the assessee, and shall
8 thereafter be treated and collected like other taxes on such roll;
9 provided, however, that if ~~prior to~~ *before* the date of transfer to
10 the secured roll, with the date of entry specified thereon, the real
11 property on which such redemption deficiency constitutes a lien
12 has been transferred or conveyed to a bona fide purchaser for value
13 or becomes subject to a bona fide encumbrance for value, such
14 redemption deficiency shall not create, impose or constitute a lien
15 on such real property but shall be transferred to the unsecured roll
16 in the name of the assessee at the time the original insufficient
17 payment was made and shall thereafter be treated and collected
18 like other taxes on said roll.

19 The entry on the roll shall be followed with “Deficiency in
20 Redemption of Parcel Number ____ on _____, ~~19~~ 20.”

21 The foregoing entry may be made on a document separate from
22 the roll if reference is made on the roll to the document wherein
23 the entry is made. The delinquent tax abstract from which the
24 redemption deficiency is transferred may, at the option of the
25 county, serve as the separate document.